



# **Veterinary Practice Management Essentials**

## Introduction

Building a successful veterinary practice involves a myriad of skills and knowledge with two basic and essential components: **effective leadership and competent management**. A well-run veterinary clinic is essential for providing excellent quality care, outstanding client service, financial profitability, and a productive work environment. However, the multitude of practice management resources can be overwhelming.

This document provides a simple checklist of the fundamental components of effective practice management along with additional topic resources for more in-depth study or personalized help.

## Acknowledgement

**VetPartners gratefully acknowledges the generous educational grant from Partners for Healthy Pets, which made the development and publication of Veterinary Practice Management Essentials possible.**

Dedicated to improving preventive pet healthcare, Partners for Healthy Pets recognizes the importance of excellent practice management in the delivery of all veterinary care and maintains a website ([www.partnersforhealthypets.org](http://www.partnersforhealthypets.org)) that includes a large number of resources and tools to help practices succeed.



## Strategic Planning

### *Every practice should:*

- Create, communicate and regularly review with all staff the practice's vision, mission, and core values
- Establish a clear identity based on the mission, vision, and values of the practice that differentiates it from other practices and is delivered and recognized through the client experience
- Create and annually update the practice's 3-5 year operational plan, including goals and tactics
- Regularly perform a practice valuation for management and exit planning purposes
- Establish and periodically review an exit strategy

## Finance & Accounting

### *Every practice should:*

- Use an accounting system that captures all financial transactions on a timely basis – critical components include a veterinary-specific chart of accounts and appropriate internal controls to ensure accurate information as well as reduce the risk of loss
- Follow a budget to help guide financial and operational decisions and plan for equipment purchase/replacement
- Routinely monitor cash flow
- Review financial statements and metrics monthly
- Assess true operating profitability at least annually
- Maintain a fee schedule consistent with the cost and value of the services provided and the market being served

## Law and Ethics

### *Every practice should:*

- Ensure practice owners, employees and contractors follow local ordinances, state/provincial laws and federal regulations applicable to conducting business in its area, including administrative regulations affecting the practice of veterinary medicine
- Clearly communicate and enforce legally compliant confidentiality and privacy policies
- Adhere to the principles of veterinary medical ethics
- Keep updated, accurate, and compliant records
- Ensure handbooks, contracts, client consent forms, and other binding documents are reviewed by an attorney

## Human Resources

### *Every practice should:*

- Be the employer of choice by maintaining a competitive compensation and benefits package and by providing a desirable workplace environment
- Provide employees with a clear description of their job duties and responsibilities including their reporting relationships
- Use a standardized and effective system for recruiting, hiring, on-boarding, and orientation
- Create and update an employee manual containing all workplace policies and provide to all employees with receipt acknowledged; legal review is essential
- Regularly provide coaching, training, continuing education, and mentoring to the practice's team members
- Cultivate an environment that regularly recognizes and rewards outstanding performance
- Have a consistent and unbiased system for providing all employees with performance feedback and opportunities for growth
- Acknowledge that practice team members may need support and professional resources for stressors such as compassion fatigue and substance abuse
- Utilize a disciplinary process to accurately communicate and document poor performance, counsel the employee, and if necessary, terminate employment

# Operations

---

## **Management** – *Every practice should:*

- Have an effective management team with appropriate training and experience as well as the authority to achieve practice objectives
- Proactively use attorneys, accountants, and other advisors and consultants for the betterment of the practice
- Establish standard operating procedures that address all aspects of business management

## **Practice Team** – *Every practice should:*

- Ensure effective and efficient workflow through proper employee scheduling, training, and performance monitoring
- Have effective inter- and intra- department communications

## **Clients and Patients** – *Every practice should:*

- Effectively communicate with clients in a timely manner, using a method and frequency that the clients prefer
- Schedule patients in a manner that allows appropriate time for patient care, client communication and promotes practice efficiency
- Create an environment that minimizes client and patient stress
- Provide and discuss medical care recommendations and estimates with all clients; obtain client consent for agreed upon services
- Consider offering alternative payment options such as pet insurance, pet wellness plans, and medical payment cards
- Forward book appointments, ensuring that no client leaves the practice without having an appointment for the next visit

## Operations (cont'd)

---

### **Facilities and Equipment** – *Every practice should:*

- Keep the facility clean, safe, and odor-free
- Purchase and maintain the equipment necessary to deliver the level of care provided

### **Inventory** – *Every practice should:*

- Maintain inventory at the lowest quantity level to meet the practice's needs using strong inventory control, positive vendor relationships and appropriate product selection
- Store, use, and dispose of all drugs, supplies, biologicals, and controlled substances in an appropriate and legally compliant manner

### **Risk** – *Every practice should:*

- Regularly assess and mitigate risks to the business (competitive and operational)
- Maintain proper and adequate insurance
- Establish a disaster preparedness and recovery plan (with a copy stored off-site) that allows for quick response in case of emergency
- Have a business continuity plan that addresses the potential loss of an owner or key employee

## Marketing & Communications

### *Every practice should:*

- Create and follow a marketing plan consistent with its brand and culture that attracts and retains its ideal client
- Confidently communicate the value of the service provided in a manner that supports the fees charged
- Have an attractive facility with a clearly visible sign that reflects its brand and culture
- Employ marketing activities that reflect pet owner preferences, current technology and social media trends
- Have a current, engaging, mobile-optimized website that is a robust educational resource for pet owners
- Participate in and promote community outreach programs
- Actively monitor the practice's online reputation and manage responses when appropriate
- Have an effective reminder system that uses communication methods preferred by clients
- Measure the effectiveness of marketing activities

## Medical Management

### *Every practice should:*

- Have agreed-upon preventive healthcare protocols and ensure all practice team members support and promote those protocols for all patients at every visit
- Establish and follow well-communicated medical guidelines for ill or injured animals
- Regularly monitor pet owner compliance with medical recommendations and act upon opportunities for improvement

# Information Technology

## *Every practice should:*

- Assess and regularly update the practice's information technology needs including practice information management software, accounting software, telecom infrastructure, and others as needed
- Perform timely hardware and software updates, maintenance, and backups
- Establish, review and maintain system security of all practice technology

## Author Task Force

VetPartners gratefully acknowledges the contributions of the individuals who served on the Author Task Force and who freely gave of their time and expertise to assemble these veterinary practice management essentials.

**Debbie Boone, BS, CCS, CVPM** \ President – 2 Manage Vets Consulting, LLC

**Betsy Choder, BS, MS, JD** \ Attorney/Management Consultant – VetCounsel, LLC

**Mary Gardner, DVM** \ Co-Founder - Lap of Love Veterinary Hospice

**Jennifer Inbody, CVPM, PHR** \ Practice Consultant – Summit Veterinary Advisors, LLC

**Monica Dixon Perry, BS, CVPM** \ Partner – Veterinary Management Consultation, Inc.

**Terra Shastri, BA** \ Manager of Business Development – Ontario VMA

**Martin Traub-Werner, BA, MILR** \ CEO – Vet Success Inc.

## Special thanks to our gifted facilitators and co-contributors:

**John Albers, DVM** \ President – Albers Veterinary Strategies, LLC

**Karen Felsted, CPA, MS, DVM, CVPM, CVA** \ President – PantheraT Veterinary Practice Management Consulting



# Resources

---

## General

- VetPartners ([www.vetpartners.org](http://www.vetpartners.org))
- Partners for Healthy Pets ([www.partnersforhealthypets.org](http://www.partnersforhealthypets.org))
  - AAHA/AVMA Preventive Healthcare Guidelines for Dogs & Cats
  - Monthly Payment Preventive Healthcare Plans
  - Internal Marketing and Social Media
  - Communications
  - Feline Friendly Practice
- Veterinary Team Brief
- Veterinary Economics
- Veterinary Practice News
- American Animal Hospital Association ([www.aaha.org](http://www.aaha.org))
  - Trends Magazine
  - Bookstore
- Veterinary Hospital Managers Association ([www.vhma.org](http://www.vhma.org))
- American Veterinary Medical Association ([www.avma.org](http://www.avma.org))
- DVM360 Magazine
- [www.dvm360.com](http://www.dvm360.com)

## Strategic

- The No-Lo Practice: Avoiding a Practice Worth Less (<http://www.vetpartners.org/Resources/Documents/0903%20NoLo%20Publication.pdf>)
- Valuation Essentials for Veterinarians (<http://www.vetpartners.org/Resources/Documents/Valuation%20Essentials%20for%20Veterinarians%2020100615.pdf>)
- US Pet Ownership and Demographic Sourcebook: American Veterinary Medical Association
- 2015 Veterinary Economic Report Subscription: American Veterinary Medical Association

## Finance and Accounting

- Financial Management of the Veterinary Practice: Justin Chamblee, CPA, Max Reiboldt, CPA
- AAHA Chart of Accounts: David C. Cavanaugh, CPA, CVA, Lorraine Monheiser List, CPA, MED, Byron G. Porter, CPA
- Referral Practice Chart of Accounts: Lorraine Monheiser List, CPA
- Financial & Productivity Pulsepoints: American Animal Hospital Association
- Veterinary Compensation: American Veterinary Medical Association
- Veterinary Business Practice Measures: American Veterinary Medical Association
- The Veterinary Fee Reference: American Animal Hospital Association
- Compensation and Benefits: American Animal Hospital Association
- Benchmarks: A Study of Well-Managed Practices: Wutchiett Tumblin and Associates, Veterinary Economics

## Law and Ethics

- Law & Ethics of the Veterinary Profession: James F. Wilson, DVM, JD
- An introduction to Veterinary Medical Ethics: Theory & Cases: Bernard E. Rollin, PhD
- Your State Veterinary Board website
- Animal Legal and Historical Center: Michigan State University's School of Law
- [www.usda.gov](http://www.usda.gov)
- [www.nolo.com](http://www.nolo.com)

## Resources (cont'd)

---

- [www.dea.gov](http://www.dea.gov)
- [www.dol.gov](http://www.dol.gov)
- Canada
  - Employee versus Independent Contractor: <http://www.cra-arc.gc.ca/E/pub/tg/rc4110/>
  - Provincial Employment Standards Act websites

### Human Resources

- Contracts, Benefits, and Practice Management For The Veterinary Practice: James F. Wilson, DVM, JD, Jeffrey D. Nemo, DVM, Alan J. Fishman, CLU
- 101 Veterinary Human Resources Questions Answered: Katherine Dobbs, RVT, CVPM, PHR, Louise S. Dunn
- AAHA Guide to Creating an Employee Handbook: Amanda L. Donnelly, DVM, MBA
- Job Descriptions and Training Schedules for the Veterinary Team, James F. Wilson, DVM, JD, Karen Gendron, DVM
- When Helping Hurts: Compassion Fatigue in the Veterinary Profession: Kathleen Ayl, PsyD
- Team Satisfaction Pays-Organizational Development for Practice Success: Carin A. Smith, DVM

### Operations

- 101 Veterinary Practice Management Questions Answered: Amanda L. Donnelly, DVM, MBA
- 101 Veterinary Inventory Questions Answered: James E. Guenther, DVM, MBA, MHA, CVPM
- The Complete Veterinary Practice Regulatory Compliance Manual: Philip J. Seibert, Jr., CVT
- The Art of Veterinary Practice Management: Mark Opperman, CVPM, Sheila Grosdidier, BS, RVT, PHR
- Blackwell's Five-Minute Veterinary Practice Management Consult: Lowell Ackerman, DVM, DACVD, MBA, MPA
- Practice Made Perfect: A Complete Guide to Veterinary Practice Management: Marsha L. Heinke, DVM, EA, CPA, CVPM

### Marketing and Communications

- Social Media for Veterinary Professionals: Brenda Tassava, CVPM, CVJ
- Educating Your Clients from A to Z: What to Say and How to Say It: Nan Boss, DVM
- The Effective Marketing Manual-Attracting, Creating and Retaining Loyal Customers: J.D. Stowe, DVM
- Client Satisfaction Pays: Quality Service for Practice Success: Carin A. Smith, DVM

### Medical Management

- Path to High-Quality Care: Practical Tips for Improving Compliance: American Animal Hospital Association
- Compliance: Taking Quality Care to the Next Level: American Animal Hospital Association
- Six Steps to Higher-Quality Patient Care: American Animal Hospital Association